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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/747,204	12/21/2000	Michael Wilson	003801.P009	1071

7590 06/09/2004

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EXAMINER

PATEL, JAGDISH

ART UNIT PAPER NUMBER

3624

DATE MAILED: 06/09/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/747,204

Applicant(s)

WILSON, MICHAEL

Examiner

JAGDISH PATEL

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MW

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 15 March 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-52 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-52 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

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## DETAILED ACTION

1. This communication is in response to amendment filed 3/13/04.

### *Response to Amendment/Remarks*

2. Claims 1-52 are currently pending. No claims have been amended.

3. Applicant's arguments with respect to claims 1-52 have been considered but are moot in view of the new ground(s) of rejection.

### *Claim Rejections - 35 USC § 101*

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-26 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

#### **4.1 Subject Claims are not within Technological Arts**

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ

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(BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether

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the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in Toma. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in Toma because the invention

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in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the Toma test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 1-25 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The step facilitating creation of an administrative note pertaining to a selected aspect (manually creating textual information regarding an on-line auction), associating the administrative note with the selected aspect (tabulating which note pertains to which aspect of the auction) and displaying a note indicator to an indicate association of the administrative note with the selected aspect (manually displaying a note indicator) [note that limitation "when displaying information" is not pertinent to the act of displaying because as pointed out in the following paragraph this limitation fails to positively recite that the note indicator is displayed on a display unit of a network device]. In conclusion, the presented method can be practiced manually and therefore, analyzed as being not within the technological art. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as performing the steps using a computer processor or using electronic links or

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communication networks (in the instant case, electronically linking the administrative note with the selected aspect of the on-line auction).

#### **4.2 Claimed Directed to disembodied (non-functional) data structure**

Claims 27-51 are rejected under 35 USC § 101 because the claimed inventions are directed to non-statutory subject matter. Claims 27-51 are directed to disembodied data structure which are per se are not statutory (*In re Warmerdam*, No. 93-1294 (Fed. Cir. August 11, 1994)).

As an example, claim 27 recites a system that includes a note creation application (a software code or program) and a note display application (a software code or program). The software programs themselves are not capable of causing the system to realize the functionality of the system.

Claim 41, similarly includes a note creation function and an administrative function, which may be interpreted as computer codes intended to perform the claimed functions. However, in absence of a computer processor and a computer readable medium as explained above, the system is incapable of realizing the claimed functionality.

The examiner suggests to redraft the claims to include a processor and a computer-readable medium, which stores the claimed functions as computer executable codes, so that the claimed software in combination with a computer-readable medium will be capable of producing a useful, concrete and tangible result.

A claim to a computer-readable medium encoded with functional descriptive material that can function with a computer to effect a practical application that results in a useful, concrete and tangible result (i.e. executing a stock transaction or generating an investment portfolio) satisfies section 101. See U.S. Patent 5,710,578 to Beauregard et al.

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***Claim Rejections - 35 USC § 112***

5. Claims 1-51 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites limitation "when displaying information concerning the selected aspect.." as a condition for displaying a note indicator step. This conditional recitation renders the claim indefinite. Furthermore, the claim is rendered unclear because the displaying of the note indicator is not positively recited as being carried out on a display unit.

Dependent claims 2-14 also inherit same defect. Apparatus claim 26 corresponds to method claim 1 and contains similar defect.

Claim 15 recites "wherein the note creating function associates the administrative note with the user,..". However, the claim does not positively recite that the administrative note is created. Note that the claims recites mere "providing" a note creation function with reciting actual creating of the administrative note. Therefore, the claim lacks antecedent basis for the limitation "the administrative note" as presented in the "where" part of the claim.

Dependent claims 16-25 also inherit same defect.



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Claims 11 and 12 recites limitation "calling a note function". This limitation is unclear because the parent claim does not support use of a computer program (which may call a function as a sub-program to carry out some functional process). In this context, therefore, calling a note function is vague and unclear limitation. Furthermore, mere calling a note function does not accomplish any result as recited in the present claims.

claims 13 and 14 are recited in improper form because they limit "the display" which is not limiting any method step. Instead they limit an element of a system. Furthermore, there is no antecedent basis for the limitation "the display" in the parent claim.

Claims 16-25 are rejected as not further limiting the parent claim or alternatively not properly linked to the functional steps recited in the parent claim 15.

As an example, dependent claim 16 recites that the note creation function note creation interface that presents a predetermined set of administrative types for selection by the administrator..., however, this limitation does not affect the claimed functions of providing a note creation function, invoking the note creation function or the associating function as these actions are performed regardless of the note creation

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user interface as presented in claim 16. (see also 103 rejection).

dependent claims 16-25 also contain similar defects, which renders these claims indefinite.

Apparatus claims 26-51 correspond to method claims 1-25 respectively and are similarly analyzed.

claim 41 recites limitation "where the note create function is to associate..". This recitation renders the claim indefinite because it does not recite the stated functionality in affirmative. It is recommended that it is changed to read "where the note creating function associates..". This defect is also inherited by dependent claims 42-51.

#### ***Claim Rejections - 35 USC § 102***

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

7. Claims 1-4, 15, 19-20, 26-30, 41, 45, 46 and 52 are rejected under 35 U.S.C. 102(b) as anticipated by or, in the

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alternative, under 35 U.S.C. 103(a) as obvious over Fisher et al. (US Pat. 5,835,896).

Claim 1. Fisher discloses a method of communicating administrative information related to the monitoring of a network-based auction facility, the method including:

facilitating creation of an administrative note pertaining to a selected aspect of an on-line auction facilitated by the network-based auction facility;

(see col. 7 L 66- col. 8 L 4, "regenerate a catalog page with the updated bid information")

associating the administrative note with the selected aspect of the on-line auction; and

(see col. 7 L 66- col. 8 L 4, the catalog page is associated with new bid and the current high bidder)

displaying a note indicator to indicate an association of the administrative note with the selected aspect of the on-line auction when displaying information concerning the selected aspect on a display unit of a network device.

(see Figure 2 and 3, which shows displays the catalog page for an item being auctioned, note indicators are presented as bid information and current high bidders with pertinent information).

Claim 2. wherein the selected aspect comprises a user of the network-based auction facility.

(user of the network based facility are bidders for the item)

Claim 3. wherein the selected aspect comprises an item offered for auction via the network-based auction facility.

(see claim 1 discussion)

Claim 4. including associating the administrative note with multiple selected aspects of the on-line auction.

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(see claim 1 discussion and Fig. 2)

Claim 15. Fisher discloses a method of communicating administrative information concerning a user of a network-based auction facility, the method including:

providing a note creation function to facilitate creation of an administrative note concerning the user of the network-based auction facility; and

automatically invoking the note creation function-from one of a plurality of administrative applications of the network-based auction facility,

where the note creation function associates-the administrative note with the user, as identified by an administrator of the network-based auction facility to the note creation function.

(Fisher teaches note creation function as a construction of E-mail message appropriate to the winning or losing bidder, see col. 6, each message requires that appropriate bid message (administrative note) be created by invoking a corresponding the message creating function since as explained fisher performs this process automatically).

(see also analysis of claim 1)

Claim 19. (The method of claim 15) including providing a note search function that facilitates the searching of a plurality of administrative notes based on user information.

(this feature is inherent to Fisher method of communicating information to the bidder (user), as explained in col. 6 where based on the user information (i.e. submitted bids) a specific e-mail message is generated from as appropriate to the bidder).

Claim 20. The method of claim 15 including providing a note search function that facilitates the searching of a plurality of administrative notes based on auction item information.

(see discussion of claim 19).

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Note: apparatus claim 26 and system claim 27 correspond to method claim 1 and are similarly analyzed. System claims 28-30, 41, 45, 46 and 52 corresponds to method claims 2-4, 15, 19, 20 and 1 respectively and are similarly analyzed.

***Claim Rejections - 35 USC § 103***

8. Claims 5-7 and 31-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fisher et al. (US Pat. 5,835,896).

Regarding claims 5-7, Fisher does not expressly show that the administrative note includes type information per claims 5. Fisher further does not expressly show the features of claims 6 and 7 ("providing a menu" and "reasons for the generation").

However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The facilitating creation of the administrative note would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983), *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made have the administrative note include type information and "providing a menu" and "reasons for the generation" as recited in claims 6 and 7 because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

Note: apparatus claim 26 and system claim 27 correspond to method claim 1 and are similarly analyzed. System claims 28-30, 41, 45, 46 and 52 corresponds to method claims 2-4, 15, 19, 20 and 1 respectively and are similarly analyzed.

Note: system claims 31-33 correspond to method claims 5-7 respectively and are similarly analyzed.

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9. Claims 8-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fisher as applied to claim 1 and further in view of Shoham (US 6,285,989).

Regarding claim 8 Fisher fails to disclose, however, Shoham teaches the facilitation of the creation of the administrative note include providing an user interface via which an administrator of the network-based auction facility is prompted to identify the selected aspect of the on-line auction. (Refer to Table 2 in col. 7, selected aspect is entity with permission and administrative note is "Primitive", here the entity with permission for a preselected administrative note or a function is defined. Note that such auction administrative features are administered by a market designer using a protocol discussed in col. 5-7 using the Market-Specification Console (MSC) for the user interface).

It would have been obvious to one of ordinary skill in the art at the time of invention to incorporate into Fisher the user interface for the auction administrator to identify the selected aspects of the on-line auction as per Shoham because it would allow the administrator or the designer of the auction facility to build and manage using a predefined protocols resulting in efficient deployment of the auction.

Claim 9. wherein the selected aspect comprises a user and the user interface prompts the administrator to input a user identifier.

(refer to claim 8 analysis, note the "entity with permission" is the user identified as "trader", "market operator" etc.)

Claim 10. wherein the selected aspect comprises an item offered for auction via the network-based auction facility and the user interface prompts the administrator to input an item identifier.

(Refer to Fisher, item identifier shown on Fig. 2, refer to analysis of claim 8 for motivation).

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System claims 34-36 corresponds to method claims 8-10 respectively and are similarly analyzed.

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (703)308-7837. The examiner can normally be reached on 800AM-600PM M-Th.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703)308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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(Primary Examiner, AU 3624)

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